No. 273.

Brief of Olin for D. E.

Filed April 21, 1899.

IN THE SUPREME COURT OF THE UNITED STATES,

OCTOBER TERM, 1898.

CASE No. 16,838,

TERM No. 273.

Office Supreme Court U. S.
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JAMES H. McKENNEY,
Clerk.

WILLIAM A. BRADY, PLAINTIFF IN ERROR,

vs.

AUGUSTIN DALY, DEFENDANT IN ERROR.

IN ERROR TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SECOND CIRCUIT.

BRIEF ON BEHALF OF AUGUSTIN DALY, DEFENDANT IN ERROR.

STEPHEN H. OLIN,
Of Counsel for Defendant in Error.

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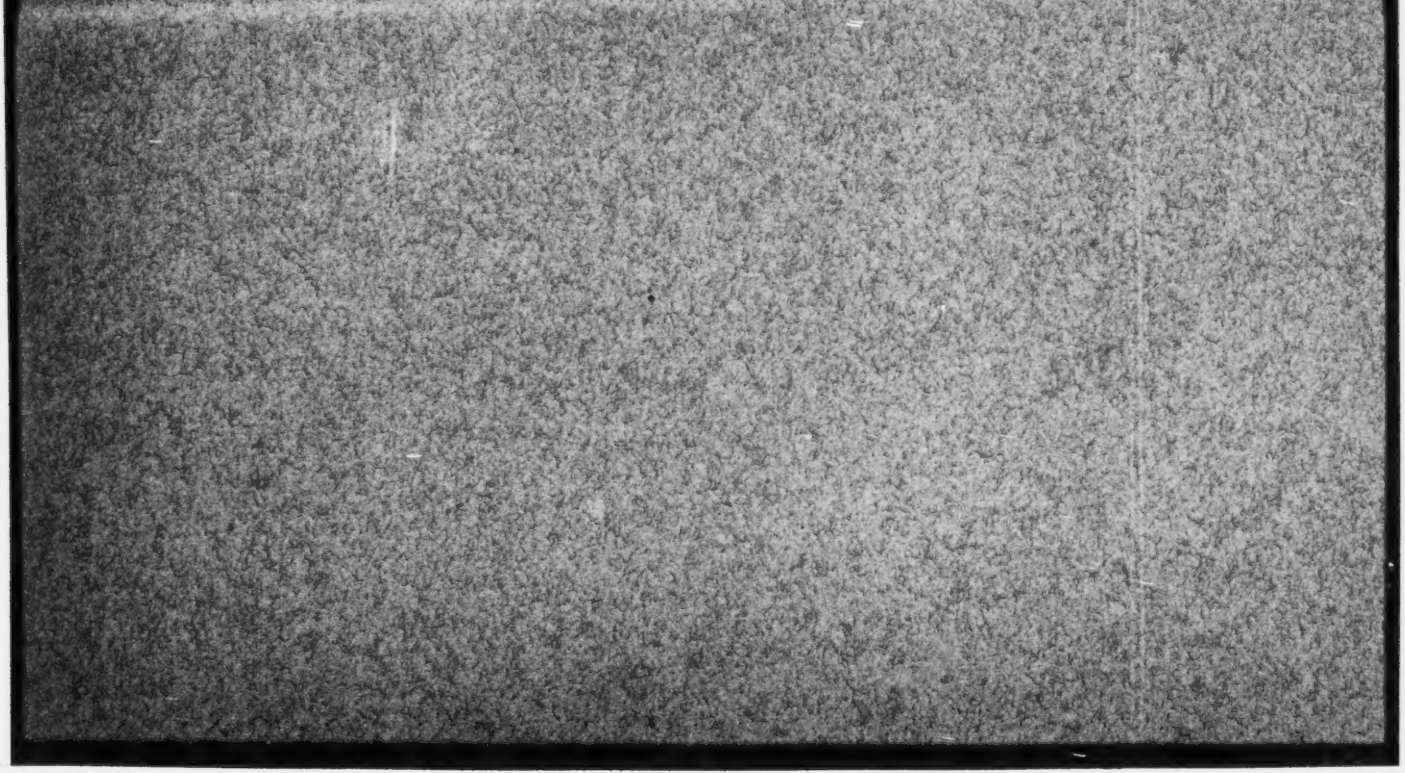

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CASE NO. 16,838.

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WILLIAM A. BRADY,
Plaintiff in Error,

vs.

AUGUSTIN DALY,
Defendant in Error.

BRIEF ON BEHALF OF AUGUSTIN DALY, DEFENDANT IN ERROR.

Statement of Facts.

The defendant in error respectfully refers to the statement by LACOMBE, *J.*, in the Circuit Court of Appeals (Record, p. 172), and to the findings of fact in the Circuit Court by SHIPMAN, *J.* (Record, pp. 24–30, 32).

ARGUMENT.

There were thirty-four assignments of error. Judge LACOMBE, delivering the opinion of the Circuit Court of Appeals, took up *seriatim* those relied upon by the plaintiff in error in that Court. The

same course will be here pursued, giving as to each point what Judge LACOMBE said in disposing of it, and adding further argument and citation of authorities.

I.

"It is contended that the penalty is incurred only when substantially the whole of a copyrighted play is reproduced. This contention, however, has been already disposed of by this Court. The penalty of the statute is imposed when 'any dramatic composition for which a copyright has been obtained' is publicly performed without the consent of the owner. In Daly *v.* Webster, 1 U. S. App. 573, 4 C. C. A., 10, 56 Fed. 483, we held the railroad scene in 'Under the Gaslight,' considered by itself, apart from all other acts and scenes in such play, to be a dramatic composition, and, as such, protected by the copyright which plaintiff had obtained; and no reason is shown for reversing or modifying that decision. When any one, without the owner's permission, publicly performs substantially that whole railroad scene, he substantially performs a dramatic composition which is covered by the owner's copyright."

LACOMBE, *J.*, Record, page 175.

"The first enquiry is what is meant in the Act of 1856, by a 'dramatic composition,' * * * A composition, in the sense in which that word is used in the Act of 1856, is a written or literary work invented and set in order. A dramatic composition is such a work in which the narrative is not related, but is represented by dialogue and action. * * * A written work, consisting wholly of directions, set in order for conveying the ideas of the author on a stage or public place, by means of characters who represent the narrative wholly by action, is as much a dramatic composition designed

or suited for public representation, as if language or dialogue were used in it to convey some of the ideas.

The 'railroad scene' in the plaintiff's play is undoubtedly a dramatic composition."

BLATCHFORD, *J.*, in Daly *v.* Palmer, 6 Blatchf., 256; 6 Fed. Cas., 1132, 1135.

"Upon the main point of the case, namely, whether the combination or series of dramatic events (apart from the dialogue), which makes up the particular scene or portion of the play claimed to be infringed, is a dramatic composition, and as such entitled to protection under the copywright laws, it is necessary to add but little to the exhaustive opinion of Judge Blatchford reported in Daly *v.* Palmer, 6 Blatchf., 256. The same scene in the same play is elaborately discussed by him, and in his conclusion, that it is a dramatic composition we concur."

Daly *v.* Webster, 1 U. S. App., 573; 4 C. C. A., 10.

It may be said that the amendment to the section, adopted in 1897, by retaining the language thus interpreted, adds the sanction of Congress to the authority of the Circuit Court of Appeals.

29 U. S. Stat. at Large, 481.

The statute provides that a "dramatic composition" is to be copyrighted as a book. The book may contain one dramatic composition, or more than one, independent or connected.

It may include several scenes, or several acts or several plays in series or disconnected, but under the definition in Daly *vs.* Palmer, the dramatic composition is in either case protected, and the infringer cannot defend himself by saying that there were other dramatic compositions protected by the same copyright which he did not infringe.

The case of Rogers *vs.* Jewitt, much relied on by counsel below, is not an interpretation of § 4966, but

of the section which now appears as § 4964. Bearing in mind what the words "dramatic composition" mean, the language of Judge Curtis applies to the case in hand, for Brady infringed the whole dramatic composition; but it is proper to say that Rogers *vs.* Jewitt has been criticized. Mr. Drone discusses it and concludes:

> "In this view of the law, the forfeiture would attach when a work consists chiefly or largely of pirated matter, or when it contains a large or valuable part of a book, entitled to protection."
>
> Drone on Copyright, 488, 490.

If this be the law it would make no difference in the case at bar, whether the Court considered the "railroad scene" or the play of "Under the Gaslight."

The railroad scene is protected because it is itself a dramatic composition. It is equally protected because it is a material and valuable part of a larger dramatic composition.

> "The chief value of the play of 'Under the Gaslight,' and its popularity, depends upon the said railroad scene or sensation contained in it, and upon the representation of said scene only, which scene constituted its essential feature; and * * * the sole commercial value of the said play of 'Under the Gaslight' and the source of its power of earning royalties consisted of the said railway scene."
>
> Finding IX., p. 18.

Decisions under the patent law are to the effect that where only one claim of a patent is valuable the infringement of that claim will subject the defendant to payment of a royalty fixed for the use of the whole patent.

> Westcott *v.* Rude, 19 Fed., 830.
> Wooster *v.* Simonson, 16 Fed., 680.

When the patented features constitute the essential features of a machine and give it its merit,

without which the machine would be valueless and unsalable, the damages and profits for infringement must be calculated on the basis of the entire machine.

Tatum *v.* Gregory, 51 Fed., 446.
Putnam *v.* Lomax, 9 Fed., 448.
Fitch *v.* Bragg, 16 Fed., 243.
Garretson *v.* Clark, 111 U. S., 120.

In England the penalty of forty shillings is imposed for production of a portion of a copyrighted play.

It is true, as has been suggested by Mr. Brady's counsel, that the English statute after the words "dramatic piece" adds "or any part thereof," but the courts do not consider this addition important. In Chatterton *v.* Cave (3 App. Cas., 483, 498)

Lord O'HAGAN said:

> "It is true, it was impressed upon your Lordships, that the Act of Geo. III., does not contain the words 'or any part thereof' which are inserted in the Statute of Will. IV.
>
> But this does not appear to me to create any real distinction between them.
>
> Some such words must necessarily be implied in the earlier statute, otherwise the author of the book could not bring his action unless there had been a piracy of the whole of its contents, and any partial appropriation of them could not authorize the claim for a penalty.
>
> No one has suggested a construction so manifestly inconsistent with the clear purpose of the Legislature, and it seems to me that all the authorities as to a partial taking are fairly applicable to the Dramatic Copyright Act, and if so, an infringement of it to be penal must be material and of a substantial kind. * * * The question in every case must be a question of fact."

It was presumably upon this theory that omission is made of the words, "or any part thereof," in

Stephen's Digest of the Law of Copyright which is annexed to the report of the English Copyright Commissioners (*Report of Copyright Commissioners* of 1878, p. LXXXII), showing that in the opinion of English Courts and lawyers, the words "or any part thereof" are surplusage and may be omitted without affecting the sense of the statute.

Judge Lacombe, in the paragraph cited above says that no reason is seen for reversing or modifying the decision in Daly *v.* Webster (1 U. S. App., 573). It is respectfully submitted that even if the Court saw reason for so doing the law cannot now be stated otherwise than in Daly *v.* Webster, because that decision is *res adjudicata* in this action. It stands unreversed and is therefore binding upon the plaintiff in error, who was a party to it. On familiar principles he is bound by that decision upon the law as well as the facts.

Southern Pacific R. R. Co., *vs.* the United States, 168 U. S., 1.

II.

"It is contended that it was error 'to exclude evidence offered by defendant that the manner of the rescue is not a material part of plaintiff's play.' We have searched the record carefully, but in vain, for any such offer. It does appear that defendant 'offered to prove that the play, "After Dark," drew as much money, and was as valuable, in a pecuniary or in a commercial sense, with the railroad scene performed in the manner not violative of plaintiff's rights, as held by the Circuit Court of Appeals,' and, to support his offer, asked a witness who had testified as to performances of 'After Dark' this question:

> 'Will you state the difference in business between the railroad scene as performed when

> one character was rescued by another, and as performed when the character rescued himself by staggering off the track?'

The question was excluded, and exception reserved. If it were material and proper for defendant to show that the 'manner of the rescue' was 'not a material part' of 'Under the Gaslight,' he certainly would not show it by proving that the manner of the rescue was not a material part of the other play, 'After Dark.'"

LACOMBE, *J.*, p. 176.

The offer referred to by Brady's counsel (p. 62) was as follows:

> "We offer to prove by the plaintiff that *the play, 'After Dark,'* drew as much money and was as valuable * * * with the railroad scenes performed in the manner not violative of plaintiff's rights." * * *

This was not rejected "on the ground of *res adjudicata*," as counsel has stated, but on the ground of irrelevancy.

The evidence did not tend to show that the railroad scene was not an important part of plaintiff's play, but that it was not important in defendant's play. It was therefore irrelevant. The question was not whether the defendant acted wisely in infringing, but only did he infringe?

It may be noted that no such error is assigned among the thirty-four errors originally assigned.

III.

"It is next assigned as error that the Court below permitted defendant's answer in the equity suit to be used against him in this action. The answer

came in as part of the record in the equity suit. When such record was offered by plaintiff, defendant objected to its introduction on eight separate grounds, which were set forth specifically, but not on the ground that a sworn pleading of the defendant was offered against him in an action to enforce a penalty. Incidentally, it may be noted that, in the answer in the action at bar, defendant repeatedly refers to the record in the equity suit, and asks that the first decree of the Circuit Court therein, and the proofs upon which it was granted, be made a part of his answer. It may well be doubted whether he is now in a position to urge the assignment of error above set forth; but, if he were, it certainly should not avail him. The answer in the equity suit contained no admission obtained from the pleader by the equity court. It denies all the material allegations of the complaint. Undoubtedly, as pointed out in the brief, it does not admit that performances of 'After Dark' were given by defendant, but only of the version which did not infringe. In view of the fact that the record in the equity suit was admitted 'for certain purposes' only, and the statement by the Circuit Judge that no pleading of the defendant has been used or taken in evidence in ascertaining any facts as to performances, or for the enforcement of any alleged liability in this case, we are unable to find any harmful error in the admission of the answer in the equity suit."

LACOMBE, *J.*, p. 176.

(*A.*) The relevancy of evidence is to be determined by the pleadings.

In paragraph X. of the complaint in the action at bar, it was alleged that the facts set forth in the preceding nine paragraphs had been embodied in a bill in equity filed May 20, 1889, in the Circuit Court of the United States for the Southern District of New York, and that said action was eventually decided in favor of the plaintiff and a final decree en-

tered adjudging the number of infringing performances of "After Dark" to be 747 (p. 6).

In paragraph XII. of his answer, Brady admitted the filing of the bill and the entry of the decree, and continued as follows:

> "And he denies the allegations of the tenth paragraph of the complaint, excepting as they may accord with the bill of complaint so filed and the said decree entered, *to which complaint, final decree and the record in said suit this defendant begs leave to refer*" (p. 9).

In paragraph XIV. of the answer the defendant Brady as a second defense set out at some length the proceedings in the equity suit. He alleged that the bill in that suit related to the copyright of "Under the Gaslight."

> "Which is the same play or dramatic composition referred to in the complaint in this action." (pp. 9, 10).

The answer alleged that the bill claimed that Brady had produced in divers cities of the United States, the railroad scene in "After Dark."

> "Being the same scene referred to in the complaint herein, and claimed the same to have been an imitation of the railroad scene claimed by the plaintiff in the play referred to in the complaint." (p. 9).

Brady alleged that an order was entered in the equity suit denying the application for a preliminary injunction.

> "*To which order and the papers upon which the same was granted this defendant begs leave to refer and make the same a part hereof.*" (p. 10).

The answer then alleged the entry of a decree in the equity suit after trial before Hon. ALFRED C. COXE,

> "*to which decree* and the proofs upon which the same was granted, *this defendant begs leave to refer, and makes the same a part hereof.*" (p. 10).

The answer then alleged that

> "the performances claimed in the complaint herein to have been given by the defendants and claimed to be a violation of the rights asserted and claimed by the plaintiff * * * *are the same performances* which were adjudged and decreed," &c.,

in the equity suit (p. 10).

In paragraph XV. of the answer was set forth a third defense, in which it was alleged that the equity suit had proceeded to final judgment,

> "and that, by reason and virtue of the decision and mandate of the Circuit Court of Appeals for the Second Circuit, a judgment was entered and procured by the plaintiff in the said suit in equity, *to which decree and the record and proceedings in said action this defendant begs leave to refer*" (p. 11).

The fourth and fifth defenses reiterate and again allege all the preceding allegations, and they are all again repeated as defenses to the second cause of action in paragraphs XVIII. to XXII.

Thus the plaintiff in error, in ten different paragraphs of his answer, presented to the Court "as a part" of his answer and as material, relevant and competent evidence the record in the equity suit. He described it generally and enumerated the particular steps and proceedings in it. He asserted that the copyright in question and the infringing performances were the same in the equity suit and the action at law. He asked the Court to consider the record as a whole and each part of it separately.

This pleading was then an offer of the record in evidence, an admission of its materiality and competence, and a waiver of any objection to it, and

whether considered as an offer, an admission or a waiver, forbids the plaintiff in error to claim that the reception of the record was error.

McGillin *v.* Bennett, 132 U. S., 445.
Pope *v.* Allis, 115 U. S., 363.
Linsday *v.* People, 63 N. Y., 143.
Paige *v.* Willet, 38 N. Y., 28.
Vandervoort *v.* Smith, 2 Caines, 155.

(*B.*) For the reasons last stated, it might be urged that Brady had lost his right to object to the Master's Report which formed part of the record. But, however this may be, he was not prejudiced in this regard, because in the 6th conclusion of law the Court in effect struck out the Master's Report as a basis for the plaintiff's recovery.

> "The evidence as to these performances and all performances subsequent to August 24, 1891, is entirely independent of the evidence obtained from the defendant by the plaintiff's examination of him in the accounting before the Master in the equity suit mentioned in the prior finding of facts. No pleading or evidence of the defendant has been used or taken in evidence in ascertaining any facts as to performances or for the enforcement of any alleged liability in this case." *Special findings of fact* (p. 42).

This cured any possible error in admitting the report

(*C.*) The answer in the equity suit was not the foundation of the decree in the sense claimed by the plaintiff in error, because it was in effect a general denial. Daly did not prevail in the equity suit by probing Brady's conscience, but by overcoming Brady's sworn denials by proof.

Counsel stated that Brady was obliged, under oath, to admit that the performances of "After Dark" were given by him, and that this was an all important link of the plaintiff's proof. But in-

spection of the answer shows that Brady did not admit any production of the play of "After Dark" except the production at the People's Theatre, which has been held not to be an infringement (pp. 46, 47). The performances at the People's Theatre were not in any way the foundation of the present suit. The decree in the equity suit did not rest on the performances in the People's Theatre, admitted by defendants, but on proof of other performances established by Daly's proofs against Brady's denials.

It is further to be noted that the allegation that Brady produced "After Dark" was not disputed on the trial, but assumed by defendant's counsel (pp. 62, 78, 139), and was abundantly proved by the witnesses called after the case was reopened (pp. 101, 110, 112, 118, 131).

IV.

"It is next assigned as error that the Court below held that the decree in the equity suit of itself established plaintiff's cause of action, and was *res adjudicata* as to plaintiff's copyright and defendant's alleged infringement. Manifestly, the Court below did not hold that the 'decree in the equity suit of itself established plaintiff's cause.' When that decree was the only evidence, it declined to find for the plaintiff. Nor is there anything to show that the Court held that the equity decree was *res adjudicata* as to defendant's alleged infringement. The record in the equity suit was competent evidence of the fact that the railroad scene in 'After Dark'—the unaltered version—was substantially identical, in words, actions, circumstances, and accessories, with the railroad scene in 'Under the Gaslight'; and defendant offered no evidence to controvert it. The Court, however, did hold that the validity of the copyright, being determined by the equity decree, was *res adjudicata* between the parties to the

action at bar, and excluded evidence offered by defendant (being the same evidence considered in the equity suit) to show that plaintiff's railroad scene was not novel. In this there was no error. The question of validity was one of the issues in the equity suit, and that Court adjudged that the copyright obtained by Daly on August 1, 1867, was good and valid; that he was the author of the dramatic composition entitled 'Under the Gaslight,' and that the railroad scene in such play was itself a dramatic composition, and protected by said copyright. To this equity suit, Daly and Brady were parties. The action at bar is not brought by the government, but by the individual whose rights have been trespassed upon, to recover the damages which the statute gives him from the individual who has committed the trespass. Both parties to the action were parties to the suit and under familiar principles, a question at issue between them which has been once finally decided by a court of competent jurisdiction cannot be again contested in the same or any other court."

LACOMBE, *J.* (p. 177).

The decree was held to be *res adjudicata* upon the question of the validity of the copyright to the extent of excluding evidence which had been offered on the trial in equity and not otherwise.

The defendant's counsel offered certain publications with this comment:

> "We propose to show that the plaintiff's copyright is good for nothing by offering the same evidence which was before Judge COXE." (p. 63).

The publications offered were a copy of the *Galaxy* containing "Captain Tom's Fright" (p. 63), a play called "London by Night" (pp. 70, 71), a book called "Railroad Station" (p. 74), a play called "Scamps of London" (p. 77). All these publications were excluded on the ground that the former

decree was an adjudication of the validity of the copyright. No other evidence was excluded on this ground.

No other evidence was offered by the defendant except at page 62 already referred to, an offer plainly immaterial and rejected on that ground.

The Court forbade him to offer again the same evidence which, on the same issue of the validity of the copyright, had been in a suit between the same parties, passed upon by the Circuit Court and Court of Appeals, from whose final judgment appeal had been taken to the Supreme Court and dismissed.

On the question of the validity of the copyright the Court held the decree conclusive evidence. On other issues, where it was evidence at all, it was the only evidence before the Court, no attempt being made to dispute it.

This ruling was within Southern Pacific Railroad Company *vs.* United States (168 U. S., 1), and cases cited.

It has been already pointed out, that Brady in his answer sets up the decree of Judge Coxe, on the first trial of the equity suit as an adjudication of the issues involved in this action. And at the close of the case he moved for judgment on the ground—

> "XX.—That the prior decree in the equity suit was *res adjudicata* on the question of damages." (p. 78).

He cannot then be heard to deny that the final decree in the equity suit, was such an adjudication.

V.

"It is further contended that the Court below committed error in limiting defendant upon the new trial to proof as to the number of performances.

The record fails to disclose that defendant offered any evidence at all in the second trial or that any was excluded. The order disposing of the motion for new trial, provided that such motion be 'granted to the extent that the cause is opened for the purpose of allowing either party to present additional testimony in regard to the numbers and times of the representation, if any there were, of the play of "After Dark" by the defendant.' It certainly did not preclude the defendant from offering any testimony which might become necessary or expedient by reason of the change of situation produced by plaintiff's additional proof, or, indeed, from offering any which he had neglected to put in through oversight. Manifestly this assignment of error is an afterthought. Had defendant had any further proof which he wished to put in, it must be assumed that he would have offered it."

LACOMBE, *J.*, page 177.

When the plaintiff below rested, the defendant Brady moved to dismiss the complaint on thirty-two grounds (p. 138), then filed requests to find (p. 140) and the case was closed.

The defendant Brady, after the case was reopened, demanded a jury, but he does not now allege the refusal of trial by jury as error, having abandoned the ninth assignment of error originally filed. Of course there is nothing in the point.

A waiver of a trial by jury had been filed (p. 75). This was a proper compliance with R. S., 649, and deprived the plaintiff in error of any right to a trial by jury so long as the nature of the case and the real issue between the parties remained the same unless the Court in its discretion permitted the stipulation to be vacated.

Bamberger *v.* Terry. 103 U. S., 40.

Were it otherwise and were the waiver for any cause insufficient, the consequence would be that

this Court would affirm the judgment leaving the plaintiff in error to file a bill of review.

Bond *v.* Dustin, 112 U. S., 604.
Branch *v.* Texas L. M. Co., 53 Fed., 849.
Rush *v.* Newman, 58 Fed., 158.
Smith *v.* Weeks, 53 Fed., 758.
Merrill *v.* Floyd, 53 Fed., 172.
Cudahy Packing Co. *v.* Sioux Nat. Bank, 69 Fed., 782.

The whole question of granting or refusing a new trial was wholly within the discretion of the trial Court and cannot be reviewed.

Ind. & St. L. R. Co. *v.* Horst, 93 U. S., 291, 301.
Newcomb *v.* Wood, 97 U. S., 581.
Alexander *v.* U. S., 6 C. C. A., 602.
Atc. T. & S. F. R. Co. *v.* Howard, 49 Fed., 206.
Missouri P. R. Co. *v.* Chic. & A. R. Co., 132 U. S., 191.

The discretion of the learned trial Court was exercised with care (p. 23).

VI.

"It is next contended that the trial Judge 'erred in permitting the plaintiff upon the new trial to present the evidence of the number of performances which was obtained from the information given by the defendant under compulsion in the equity suit.'

There is nothing in the record which will enable us to say that any of the evidence presented on the second trial 'was obtained from the information given in the equity suit.' The counsel for plaintiff in error so asserts, but his brief contains no refer-

ences to support such assertion. No witness was interrogated upon this point, and no proof of the assertion offered."

LACOMBE, *J.*, p. 178.

The contention of the plaintiff in error here referred to has no support in the record. Among the almost countless objections made to the admission of evidence no hint appeared of the point thus taken. No suggestion of it was made among the 32 grounds given for dismissing the complaint (p. 38), nor among the 43 proposed findings of fact and law (pp. 140-145), nor among the 57 exceptions (pp. 147-152), nor among the 34 errors assigned when the plaintiff in error prosecuted his writ of error (pp. 153-160).

It is a mere afterthought resting on a mere assumption.

It nowhere appears that Mr. Daly or his counsel used Brady's testimony as a help in obtaining evidence. It is apparent that the testimony could not have given them such help, since it furnished no dates or order during the period in question (after September, 1891), (p. 60). Such help was not necessary to Daly, since all these performances were public, advertised and described in the public press, and it is an unjustifiable assumption that Brady's evidence was used in any way except before the Master.

VII.

"It is further contended that the performances given by defendant intermediate the decisions of the Circuit Court in the equity suit holding the copyright invalid and the reversal by the Court of Appeals were not willful violations of plaintiff's rights, and for that reason the statutory penalty was not incurred.

The statute, however, provides that 'any person publicly performing or representing,' &c., shall be liable for the damages therein fixed. It does not make willfulness an essential element of the offense, and no authority to which we are referred calls for such a construction."

LACOMBE, *J.*, 178.

The act of Brady in using the railroad scene was done with a full knowledge of Daly's claim and of the decision of Judge BLATCHFORD, both of which were fully stated in the bill of complaint in equity. It is true that Judge WALLACE had with reluctance declared Daly's copyright bad for a technical flaw, but Brady knew that Daly was prosecuting his suit with the intention of causing this decision to be re-examined and that if the Court should ultimately hold with Judge BLATCHFORD all performances would be in violation of Daly's rights. Nevertheless he performed the play 747 times, and that although he had invented another railway scene, which was not an infringement and which as he claims would have been equally profitable.

His act was willful, with full knowledge of his position. He deliberately took the chance of sustaining the first judgment, and when it was reversed it afforded him no protection.

Freeman *v.* Clay, 52 Fed., 1.

Besides, "it is no defense to an action for the violation of playright that the defendant has not knowingly or intentionally committed piracy."

Drone on Copyright, 638.

Where the infringement is otherwise established the intention is immaterial.

Fishel *v.* Lueckel, 53 Fed., 499.

Reed *v.* Holliday, 19 Fed., 325.

This is emphasized in the recent amendment of the statute which makes *willful* infringement a misdemeanor (§ 4966, amended 1897).

29 U. S. Stat., at Large 481.

VIII.

"It is contended that plaintiff by first proceeding in equity for an accounting for profits made an election barring him from a recovery for penalties. In view of the fact that there was in the equity cause no accounting of profits and no election to endeavor to obtain profits, and no finding and no adjudication upon the subject of profits, we are not satisfied that plaintiff made any election barring him from suing for damages or penalties."

LACOMBE, *J.*, p. 178.

On this subject the trial Court found as follows:

> "The decree did not direct the Master to ascertain anything in regard to profits; no evidence was offered upon that subject and no finding was made thereon. A final decree in said cause, accepting the Master's report and making the finding of the Master the findings of the Court was entered on April 1, 1893. No judgment or decree for profits was asked or rendered." (*Findings of Fact*, p. 30).
>
> "That there had been in this case no accounting of profits, and no election to endeavor to obtain profits for any representation of the dramatic composition which is the subject of this suit, and that there has been no finding and no adjudication upon the subject of profits." (*Conclusions of Law*, No. 8, p. 31).

A party who has elected to *take judgment* for his profits, which judgment has not been reversed, can-

not prosecute a second action for other damages arising out of the same acts of infringement.

Child *v.* Boston & F. Iron Works, 19 Fed., 258.

In patent cases the plaintiff is not bound to elect between profits and damages until he has ascertained by litigation which are the larger.

Pitts *v.* Hall, 2 Blatchf., 229.
Locomotive Safety Truck Co. *v.* R. R. Co., 2 Fed., 677.
Wooster *v.* Taylor, 14 Blatchf., 403.
Birdsall *v.* Coolidge, 93 U. S., 64.

In patent suits in equity the plaintiff may recover either profits or damages, but in copyright suits only the former.

Chapman *v.* Ferry, 12 Fed., 693.
Trow City Directory Co. *v.* Curtin, 36 Fed., 829.
Livingston *v.* Woodworth, 15 How., 546,

and in copyright cases a *qui tam* action for a penalty can be prosecuted concurrently with a suit for injunction.

Schumacher *v.* Schwencke, 25 Fed., 466.

Much more, when the equity suit has terminated in a judgment which does not award profits to the complainant, is he entitled to maintain his *qui tam* action.

Mr. Daly certainly did not make his election by filing the bill in equity, for at that time none of the acts of infringement now complained of had been committed. It is true that he might have recovered the profits of those acts of infringement in the equity action, since they were committed before the final decree, but that would have required another act of election, and it is not pretended that Daly ever asked for profits except in his bill of complaint.

Counsel below attempted to sustain his position as to election by citing various cases when the election relates to *right*, *e. g.*, between tort and contract. They have no relationto this question of the election of remedies.

IX.

"The last assignment of error is to the finding of the Court below that there were 126 infringing performances. This, however, was a special finding by the Court, a jury being waived, and an Appellate Court cannot look into the evidence upon which the finding is based, except for the purpose of ascertaining whether an error was committed in admitting or excluding testimony, and no such error is here assigned."

LACOMBE, *J.*, p. 178.

Stanley *v.* Supervisors, 121 U. S., 535, 547.

Ins. Co. of N. A. *v.* Int. T. Co., 71 Fed., 88, 90.

Walker *v.* Miller, 59 Fed., 869, 870.

X.

This case is unusual, if not unique, in that it was established that the actual damage sustained by Daly was greater than the amount of the "penalties" fixed by the statute for the period within the two years' limitation applied to actions for a penalty.

The findings of the Court show that Brady produced the infringing scene 747 times between June 19, 1889, and October 4, 1892, and that Daly had established the royalty of ten dollars for each per-

formance of the "railroad scene," and that this royalty was reasonable.

Findings XIII. and XIV., p. 18.

Daly claimed the right to recover the amount of these royalties as damages and the Court refused to allow this contention on the ground that there could be no recovery except under Section 4966 of the Revised Statutes; that the recovery allowed by this section is of a penalty, and therefore subject to the two years' limitation prescribed by Section 4968.

As neither party appealed from this ruling the question of its correctness is not before this Court.

As, however, the liability at law of the infringer of a copyright has not been fully declared except in this case, it may be proper to suggest briefly the considerations urged on the trial on behalf of the plaintiff's claim to recover damages actually sustained during six years before the commencement of the action.

The learned trial Judge held:

> "That Section 4966 of the Revised Statutes confers upon the courts of the United States their only jurisdiction in an action between citizens of the same State, for the recovery of damages for the unauthorized public performance and representation of a dramatic composition for which a copyright had been obtained."
>
> Conclusions of Law 8, p. 20.

The learned Judge cites Boucicault *vs.* Hart, 13 Blatchf., 47, as authority on this point. It is respectfully submitted that Boucicault *vs.* Hart does not so decide.

It holds in substance that courts of the United States will not, in a suit between citizens of the same State, enjoin the performance of an *uncopyrighted* play, but it does not hold that the jurisdiction of the Court depends upon Section 4966 of the Revised

Statutes alone, as distinguished from the rest of the statute.

Section 4952 of the Revised Statutes gives to the author of a dramatic composition the sole liberty of printing it, and also of publicly performing or representing it, or causing it to be performed or represented by others.

Can there be any doubt that under this section, if it stood alone, the Court would give the author such damages against an infringer as the author had actually sustained?

> "Though Rev. St. U. S., § 4964 provides for the forfeiture of every copy of the book and of such damages as may be recovered, &c., &c., yet that is not the sole provision on which a claim for relief may be founded, but there is a separate right to relief against violations of the 'sole liberty of printing' the copyrighted work given by § 4952."
>
> Gilmore *v.* Anderson, 38 Fed., 846.

> "The 3 and 4 Will. IV., c. 15, contains only two sections. The first section enacts that the author of any dramatic piece shall have as his own property the sole liberty of representing or causing to be represented, &c., and shall be deemed the proprietor thereof.
>
> Had the statute stopped there, the proprietor of the dramatic work would have had a right to recover damages against any one who infringed his right of property by representing the production or so much of the production as to infringe his right of property in it, but there might have been frequently difficulty in getting a jury to find more than nominal damages.
>
> By the second section it is provided that if any one represents any such production or any part thereof, the damages shall be at least 40 shillings with double costs."
>
> Chatterton *v.* Cave, 3 App. Cas., 500.

This section gives an ordinary cause of action for damages not affected by the special limitation of two

years provided by Section 4968, "in case of forfeiture or penalty" (Drone on Copyright, 639).

Section 4966 provides that a person publicly performing a copyrighted dramatic composition "shall be liable for damages therefor, such damages in all cases to be assessed at such sum not less than one hundred dollars for the first performance, and fifty dollars for every subsequent performance, as to the Court may seem just."

This was clearly intended to add to the rights of the owner of the copyright. As interpreted by the trial Court, the section diminishes those rights on the one hand while it extends them on the other. By holding Section 4966 to be penal in its effect the two years statute of limitation is made applicable.

It was urged on the trial that the mere fact that the statute fixes a minimum rate of damages does not make this an action for a penalty in any sense which either gives the defendant a right to refuse to testify or requires the Court to interpret the statute as if it were penal.

A penalty in the sense now under consideration is defined by Bouvier as "the punishment inflicted by law for its violation. The term is mostly applied to a pecuniary punishment."

A forfeiture is defined by the same author as "A sum of money to be paid by way of penalty for a crime."

The copyright statute contains several examples of penalty and forfeiture. By Section 4960, for every failure to deliver or deposit in the mail certain papers the proprietor of the copyright "shall be liable to a penalty of twenty-five dollars to be recovered by the Librarian of Congress, in the name of the United States," &c.

By Section 4963, every person who shall insert a notice of copyright upon any book and for which he has not obtained a copyright "shall be liable to a penalty of one hundred dollars recoverable one-half to the person who shall sue for such penalty and one-half to the use of the United States."

By Section 4964, every person who shall without due consent of the proprietor of the copyright, print, publish or import a copyrighted book "shall forfeit every copy thereof to such proprietor and shall also forfeit and pay such damages," &c.

By Section 4966, if any person shall without the consent of the proprietor of a map, chart or other article of those enumerated in the section, print or copy such map or chart, &c., "he shall forfeit to the proprietor all the plates on which the same shall be copied, and every sheet thereof, either copied or printed, and shall further forfeit one dollar for every sheet of the same found in his possession * * * and in case of a painting, statue or statuary he shall forfeit ten dollars for every copy of the same in his possession or by him sold or exposed for sale; one-half thereof to the proprietor and the other half to the United States."

To these sections succeeds Section 4967. Every person who shall print a manuscript without the consent of the author or proprietor "shall be liable to the author or proprietor for all damages occasioned by such injury"; and Section 4966 (the one here applicable) is in similar terms.

Any person publicly performing a copyrighted dramatic composition without consent "shall be *liable for damages therefor*, such damages in all cases to be assessed at such sum, not less than one hundred dollars for the first, and fifty dollars for every subsequent performance, as to the Court shall appear to be just."

Why is it that Congress has in this section used neither the word forfeiture or penalty? Obviously because the section does not provide for a "punishment inflicted by law for its violation," but only for the compensation to the injured party for his injury.

Sections 4960, 4963, 4964 and 4965 provide for the forfeiture of "sums of money to be paid by way of penalty for crimes."

Part of these forfeitures go to the Government.

While intended to punish and prevent crime they do not directly attempt to compensate the injured. Indeed in the case of the forfeiture of one dollar for each sheet found in the wrongdoer's possession, the sum paid as forfeit varies inversely as the damage inflicted on the owner of the copyright, since the wrongdoer pays on those copies which he has not parted with.

But in Sections 4966 and 4967, the law provides not for punishment but for compensation. In regard to the wrongful printing of manuscript it is impossible to say what damage should be given, and so the Court is left to fix it; but the damage caused by each performance of a play can be stated with some approximation to accuracy, and, as it would be very difficult to prove the damage in each case, a reasonable sum is fixed as the measure of damage, such a sum as may fairly be supposed to equal an ordinary royalty, if the production of the play has been licensed.

A similar exercise of legislative power is the statute fixing the measure of damages in case of the failure to pay money when it is due.

The actual damage sustained by the creditor varies in different cases. It may be very slight, or it may be two or three per cent. or more. It is always a troublesome thing to ascertain and establish by legal proof. Under these circumstances the law provides that the measure of damages in such cases shall always be six dollars for a hundred for each year. It is in effect a statutory assessment of damages.

See O'Brien *vs.* Young, 95 N. Y., 428.

It is submitted that this is closely analogous to the statute under consideration.

A man who wrongfully retains money is liable in damages to the amount of sixty dollars a thousand for each year.

A man who wrongfully produces a play is liable

in damages to the amount of fifty dollars for each performance.

In each case the Legislature is fixing damages at a reasonable or average figure, and not imposing a punishment or penalty.

It follows from this that the statute under consideration is not penal, and is to be fairly construed to effectuate the legislative intention.

XI.

The judgment appealed from should be affirmed, with costs.

STEPHEN H. OLIN,
Of Counsel for Defendant in Error.

OLIN & RIVES,
Attorneys.

No. 278. 99

Sup. Ct. U.S.

Filed April 24, 1899.

IN THE SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1898.

CASE No. 16,838.

TERM No. 278.

WILLIAM A. BRADY, PLAINTIFF IN ERROR,

vs.

AUGUSTIN DALY, DEFENDANT IN ERROR.

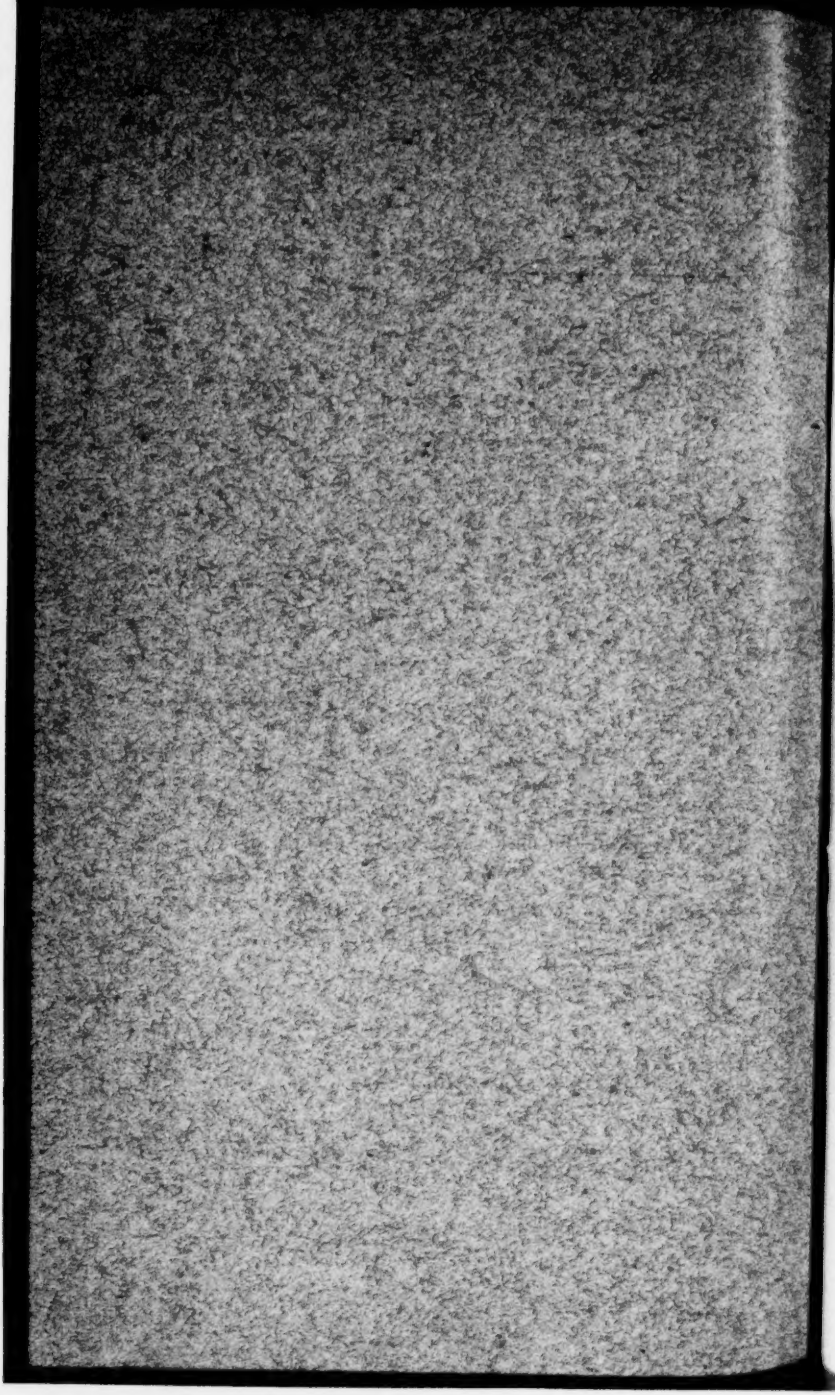
IN ERROR TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SECOND CIRCUIT.

SUPPLEMENTAL BRIEF ON BEHALF OF AUGUSTIN DALY, DEFENDANT IN ERROR.

STEPHEN H. OLIN,

Of Counsel for Defendant in Error.

Evening Post Job Print, New York.



IN THE

Supreme Court of the United States.

OCTOBER TERM, 1898.

WILLIAM A. BRADY, Plaintiff in Error, vs. AUGUSTIN DALY, Defendant in Error.	No. 273.

SUPPLEMENTAL BRIEF FOR DEFENDANT IN ERROR.

The brief of the plaintiff in error contains a point claiming that the Circuit Court had no jurisdiction of the case at bar.

As this point was never suggested in the Court below or at any time before the filing of this brief, the defendant respectfully asks leave of the Court to file this supplemental brief in answer to "Point I." of the brief of the plaintiff in error.

Our adversary has changed the order of his points from that used in the Court of Appeals. We ask

leave, therefore, to submit the following table of reference:

BRADY'S POINT					DALY'S POINT
II.	is	referred	to	in	I.
III.	"	"	"	"	III.
IV.	"	"	"	"	IV.
V.	"	"	"	"	VII.
VI.	"	"	"	"	VIII.
VII.	"	"	"	"	V.
VIII.	"	"	"	"	VI.

It should be noted that the order of the assignments of error at page 8 is different from either of those given above.

Supplemental Point in answer to Brady's Point I.

The claim that the Circuit Court has no jurisdiction of an action to recover a penalty is late and feeble.

The Judiciary Act of 1789 provides

> " That the District Courts shall have exclusive original cognizance of all suits for penalties and forfeitures incurred under the laws of the United States."
>
> Section 9.

This act, in conferring jurisdiction upon the Circuit Court, did not mention copyright cases, as was natural, considering that there was then no copyright statute. The first copyright law in 1790 provided that in case of violation there should be a penalty of

> " fifty cents a sheet to be recovered by action of debt in any court of record in the United States wherein the same is cognizable."
>
> Statute of 1790, Sec. 2, 1st Stat., 215.

The law of 1802 and the law of 1831 also impose penalties, providing for their recovery in like language.

Statute of 1802, Sec. 4, 2 Stat., 171.
Statute of 1831, Sec. 7 4 Stat., 436.

In 1856 copyright in dramatic compositions was created, and damages for unlawful performance were

> "to be sued for and recovered by action on the case or other equivalent remedy with costs of suit in any court of the United States, such damages to be rated and assessed at such sum, not less than one hundred dollars for the first and fifty dollars for every subsequent performance, as to the Court having cognizance thereof shall appear to be just."
>
> Statute of 1856, 11 Stat., 138.

In 1861 an appeal to the Supreme Court without regard to the amount in controversy was conferred

> "from all judgments and decrees of any Circuit Court rendered in any action, suit, controversy or case at law or in equity arising under any law of the United States" relating to copyright.
>
> 12 Stat., 130.

In 1867 a fine for failure to deposit copies of a copyrighted book with the Librarian of Congress was imposed to be collected

> "in any District or Circuit Court of the United States within the jurisdiction of which the delinquent may be."
>
> 14 Stat., 395.

In 1870 there was a general revision of the copyright law, and it was provided that

> "all actions, suits, controversies and cases arising under the copyright laws of the United

> States shall be originally cognizable, as well in equity as at law, whether civil or penal in their nature, by the Circuit Court or any District Court having the jurisdiction of a Circuit Court."
>
> Stat. of 1870, Sec. 106, 16 Stat., 215.

It cannot be doubted that at this time Circuit Courts had full jurisdiction of an action to recover penalties under the copyright law, and that Section 9 of the Judiciary Act of 1789 above quoted had been repealed so far as it gave the District Courts exclusive jurisdiction in suits for penalties. Such was the law at the time of the revision, and the revisors took the grant of jurisdiction in copyright cases out of the chapter on copyrights and put it into a chapter relating to the Circuit Court, and finding the jurisdiction complete and unrestricted, they conferred it by a simple grant of jurisdiction

> " of all suits at law or in equity arising under the patent or copyright laws of the United States."
>
> R. S., Sec. 629, Clause 9.

Finding that the jurisdiction of the District Court in cases of penalties was no longer exclusive, they provided that the District Courts have jurisdiction

> "of all suits for penalties and forfeitures incurred under any law of the United States."
>
> R. S., Sec. 563, Clause 3.

The word "exclusive" was not used as in the Act of 1789.

The undoubted jurisdiction of the Circuit Court in actions for penalties under the copyright laws was not expressly terminated, nor could there be an implied repeal of an existing jurisdiction over certain suits at law by a grant of jurisdiction of all such suits at law. If an implied repeal can be imagined, it would not be effectual, because repeal by implica-

tion is not favored, and this rule, always in the mind of courts, is embodied in the repealing section of the Revised Statutes:

> "All parts of acts not contained in such revision having been repealed or superseded by subsequent acts or not being general or permanent in their nature."
>
> R. S., Sec. 5596.

The part of the Act of 1870 which conferred jurisdiction on the Circuit Court in penal cases had not been repealed or superseded by any subsequent acts, and it was general and permanent in its nature. It was therefore intended to be contained in the Revised Statutes, and Clause 9 of Section 629 is to be construed accordingly.

On these grounds Judge Thayer in Taft *v.* Lithographic Co., 37 Fed., 726, held in 1889 that the Circuit Courts had jurisdiction of *qui tam* actions under the copyright law, and his decision has never been overruled or questioned.

The Circuit Courts with the tacit approval of this Court have exercised jurisdiction in these cases.

Lithographic Co. *v.* Sarony, 111 U. S., 53.
Falk *v.* Heffron, 56 Fed., 299.
Springer Lith. Co. *vs.* Falk, 20 U. S. App., 296.
Wheeler *v.* Cobbey, 70 Fed., 487.
Bolles *v.* Outing Co., 45 U. S. App., 449.
Morrison *v.* Pettibone, 87 Fed., 330.
Johnston *v.* Klopsch, 88 Fed., 692.
Howell *v.* Miller, 91 Fed , 128.

In United States *v.* Mooney, 116 U. S., 104, cited in the brief, it was contended that the general clause in the Act of March 3, 1875, providing that the United States shall have cognizance concurrently with the courts of the several States, in suits of a

civil nature, &c., invested the Circuit Courts with jurisdiction of suits for penalties in customs cases, notwithstanding the exclusive jurisdiction of actions for penalties conferred on District Courts, under Section 9 of the Judiciary Act of 1789.

This Court considered the argument plausible, but not sound, for the reason that the general grant of power to the Circuit Court in the Act of 1875 was the same as the grant of power in the Judiciary Act of 1789; that the latter had been construed by the courts in a restricted sense, as not applying to actions for penalties, and hence, when Congress re-enacted the section, it must be assumed that they did so in the restricted meaning which for eighty-five years it had borne. But in regard to the copyright statute, the broad grant of power to the Circuit Court (R. S., § 629) was not in any form contained in the Judiciary Act and had not been given a restricted meaning by the courts, but was, on the contrary, a new clause intended to continue the admittedly unlimited jurisdiction of the Circuit Courts in patent cases which existed after 1870. United States *v.* Mooney, therefore, is not an authority on behalf of the plaintiff in error.

Lees *v.* The United States, 150 U. S., 476, is simply to the effect that the jurisdiction of the District Court is not necessarily ousted when the right to recover a penalty is given to the Circuit Court.

The brief contains the remarkable statement that

> "Prior to the Act of 1870 the general language vesting jurisdiction in the Circuit Courts over all actions, suits, controversies and cases at law or in equity arising under the patent or copyright laws of the United States was held not to confer jurisdiction over actions to recover penalties."
>
> Brief of the plaintiff in error, page 19.

No authority for this statement is cited, nor is it seen how any can be, since the "general language"

mentioned by counsel had never been employed to vest jurisdiction prior to the Act of 1870, and can hardly have been interpreted before it had been used. It may be asked also when the words used in the Statute of 1874 "had received a construction that did not include jurisdiction over action for penalties," as stated by counsel?

In answer to the suggestion on page 20 of the brief, it may be said that while doubt as to the jurisdiction has come late to Mr. Brady's counsel, it has not come to Mr. Daly's counsel at all.

April 20, 1899.

Respectfully submitted,

STEPHEN H. OLIN,
Of Counsel.